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DIARY NOTES

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DD/S



1 through 7 July 1955

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1. Following the Project Review Committee Meeting on Wednesday, at which two labor projects were approved for the IO Division, we had an "executive session" with [] at which time the Committee, and in particular Messrs. [] and Kirkpatrick, emphasized to him the necessity for obtaining labor expertise in the IO Division. [] seems to be well aware of this necessity and is doing the best that he can to obtain it.

2. Have asked [] to expedite his "manpower controls" paper and Harry Reynolds to expedite his "classification flexibility" paper.

3. Inasmuch as the Director declined to sign the letter to the Bureau of the Budget which would raise a legal question as to the propriety of the present financing of the Operations Coordinating Board, I have asked Ed Saunders to try his hand at redrafting it. Mr. Dulles does not wish to sign any paper which says, in effect, that he believes he is violating the law.

4. Talked with a number of different people on the Hill about our building Bill which finally has been "reported out" of a joint Senate/House Committee Conference and provides \$46,000,000 for construction, \$8,500,000 for the extension of the George Washington Memorial Parkway if we go to Langley, and \$1,000,000 for the acquisition of a site if we do not go to Langley. (I still want to examine the language in this particular Bill, however.) In this connection, advised Bill Darden of the Senate Armed Services Committee Staff that we occupied nineteen temporary, converted-type buildings at a total of 842,067 square feet of space. In addition, I told him that we shared three buildings with other agencies, making our total space occupancy in temporary, converted-type buildings 889,222 square feet.

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5. Have discussed with General [] the recent audit of Project MKULTRA and have asked him to draft a memorandum to the Director, through Frank Wisner, reporting our dissatisfaction with the way in which this Project is being administered.

25X1A9A 6. Discussed with General [] the Inspector General's report on the Audit Staff. He does not disagree with the recommendations contained therein, and, consequently, we will submit our report on 1 August. He reluctantly agreed to move to "I" Building and has done so.

7. Emphasized to Ed Saunders the necessity for getting something out on Fiscal Year 1956 budget allocations at an early date. Told him I saw no necessity for waiting until our appropriation was actually passed by the Congress inasmuch as we knew now exactly what it was going to be.

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25X1A9A 8. Reviewed the Inspector General's report on the Office of the Comptroller with [] and Ed Saunders and asked them to give me a new status report by the 15th of July which I could forward to the Director.

25X1A9A 9. Told Jim Garrison that I thought [] should be relieved from his normal responsibilities of Chief of the Real Estate and Construction Division and, with a very small staff, devote his full time to the new building until it was finished. Asked him to submit a proposed reorganization along this line.

10. Asked Jim and H. S. to start drafting letters to those people who had written to us about possible sites for our new building so that we could dispatch them immediately after our final selection was made. H

11. Discussed executive pay raises again with Ismar Baruch of the Civil Service Commission. As a result of the recent subcabinet committee meeting on this subject there have been some changes in the proposal. (See Memorandum for the Record.) H

12. Inasmuch as our money for the building has been cut \$4,000,000, the Director has asked me to give some thought to retaining the permanent buildings we have in this area when we move. H

25X1A9A 13. Approved of [] arranging an external training program for Dr. 25X1A9A [] at the University of Pennsylvania for about eight months. Dr. [] 25X1A9A [] has been with us for four or five years and is here on a career basis. 25X1A9A [] agreed with me that since as of 1 January 1956 we would have Doctors 25X1A9A [] in external training we should process no additional requests until one of these returned to duty.

25X1A9A 14. At the Deputies' Meeting on 6 July [] said that he had received a copy of a report on the clandestine services which had been submitted to Bob Macy, Bureau of the Budget [] (I should check with the Comptroller to see that we get a copy of this.) Dick raised the question with the Director as to whether or not these boys weren't attempting to go beyond the scope of their charter and authority and asked advice as to what to do. We agreed that we would try to stop them where they were now and that if they insisted on pursuing the matter further we would have a frank talk with them about just how far they expected to go, what they wanted, etc. H 25X1 25X1A9A

25X1A9A 15. Have asked [] to comment on [] paper on the subject of "format and content of the operational programs for the clandestine services." Emphasized to him and [] that the Office of the DD/P would have to take a very strong position with the Director in order to justify a ceiling increase and that I would suggest that they be prepared to report on why they were not getting rid of mediocrity.

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16. Asked [] to follow up on action which the Project Administrative Planning Staff is supposed to be taking regarding controls for personal services rendered in connection with proprietary projects.

17. Also asked him to follow up on and expedite a revision of Section 9.4 of the Confidential Funds Regulations.

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18. Asked [] for his comments on the "action" paper which has been forwarded to the Director through me by Matt Baird and Frank Wisner.

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19. Have asked [] to discuss with [] the necessity for a good Administrative Officer for Project []. This Project is getting big now and I am afraid that it does not have the proper support setup.

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20. Agreed with [] would be assigned to his staff when he reported to duty. However, I told him that I was planning a training program for Bob and that this would take priority over anything else.

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21. Ken brought to my attention the fact that the only way we could get cars shipped to [] was on the basis of operational necessity. Told him that I was aware of this problem and would offer no objection to using this means of justifying shipment.

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22. Have advised [] that inasmuch as it appears that we will only get two slots at the National War College it is quite probable that he will not get to go. Quite naturally, he is upset about the matter and seems to have some doubts that Messrs. [] were actually intended to be ranked above him. Have asked Harry Reynolds to give me the extracts of the Career Council Meeting which will clarify this point. Also told John that I would do everything I could to get his name restored to the list and, failing this, would get the Director to promise him the No. 1 position for next year.

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23. At my request the Director telephoned Senator Hayden to warn him that we would be coming before Senator Chavez' committee for an appropriation in connection with our proposed new building. This was done inasmuch as Senator Chavez does not know about CIA and through Senator Hayden we would hope to avoid any detailed questions concerning our operations.

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24. Talked to [] about Project [] and the current problems attendant thereto. Approved of his departure, beginning about 20 July 1955, with Mr. [] to have a look in the field.

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[REDACTED]

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25X1A9A 26. Talked to George two or three times about the [REDACTED] situation. He has had a telephone call from [REDACTED] who, it appears, feels an urgent need for a letter such as is now on the Director's desk in order to strengthen his hand. 25X1A9A

25X1A2D1 27. I obtained the Director's approval to spend a small amount of unvouch-ered funds to furnish air conditioning equipment for the buildings in which Project [REDACTED] is running. Also told him that there might be other isolated cases which I would take care of with his permission; assured him, however, that I would keep these down to a minimum.

28. Talked to Mr. Townsend, Executive Director of the Fairfax Chamber of Commerce, several times about opposition by the McLean group in connection with our possibly locating at Langley. He appears to have done an effective job of countering these minority arguments. H

29. Mr. Mark Winkler, who owns the property at Shirley Highway and Semi-nary Road, was in to see me. I advised him that we were still interested in the Winkler property but could not tell him where we would finally locate at this time. He is leaving for Sun Valley, Idaho, on Tuesday, the 12th, where he will stay at the Challenger Inn, and plans to return about the 17th of August. Told him that if there were any significant developments, either pro or con, I would telephone him. H

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25X1A2D1 31. [REDACTED] advises me that through a conference with General Schow of G-2 he has learned that G-2 has employed [REDACTED] and possibly other principles involved in Project [REDACTED] This is a covert operation in clear violation of our "agreed activities" paper. I have advised the Director of this and John is going to brief him, as well as [REDACTED] and Frank Wisner, more fully. 25X1A2D1

32. Mr. Dulles asked me to contact Senator Byrd and arrange to brief him on the plans for the extension of the George Washington Memorial Parkway. 25X1A9A H

25X1A9A 33. Approved of Colonel Edwards sending Mr. [REDACTED] to assist with the security program at that station during this period of tension.

34. Kirk advises me that he has completed a survey of the Commercial Staff and will send me two copies of his report. In addition, since I requested

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this survey, he is sending me, and not the Director, a separate report on the personalities involved in that Staff.

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35. Told [] that unless there were good reasons to the contrary I thought we should leave [] on the T/O of the FE Division which could administer his income tax, etc., just as it has done in the past.

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36. Agreed with Ken that [] would be a likely candidate to go to the FE Division as Deputy Chief of Administration.

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